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STANDING COMMITTEE ON COAL AND STEEL (2009-2010)

FIFTEENTH LOK SABHA

MINISTRY OF COAL

DEMANDS FOR GRANTS (2010-2011)

FOURTH REPORT

सत्यमेव जयते

LOK SABHA SECRETARIAT
NEW DELHI

April, 2010/*Vaisakha,* 1932 *(Saka)*

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STANDING COMMITTEE ON COAL AND STEEL (2009-2010)

(FIFTEENTH LOK SABHA)

MINISTRY OF COAL

DEMANDS FOR GRANTS (2010-2011)

Presented to Lok Sabha on 22 April, 2010
Laid in Rajya Sabha on 22 April, 2010

LOK SABHA SECRETARIAT
NEW DELHI

April, 2010/*Vaisakha,* 1932 *(Saka)*

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CONTENTS

PAGE

COMPOSITION OF THE STANDING COMMITTEE ON COAL AND STEEL ..... (iii)

INTRODUCTION ..... (v)

PART I

CHAPTER I Introductory 1

CHAPTER II Analysis of the Demands for Grants (2009-10) 4

CHAPTER III Investment in Public Sector Undertakings 17

CHAPTER IV Mid Term Appraisal of the XI Five year plan 22

CHAPTER V Measures to address Environmental Concerns 30

CHAPTER VI Rehabilitation and Resettlement 35

CHAPTER VII Clean Coal and Washery Capacity 37

CHAPTER VIII Corporate Social Responsibility (CSR) Measures 47

PART II

Recommendations/Observations of the Committee ... 40

ANNEXURES

I. Statement Showing Company-wise Coal Production 47

II. Statement Showing Company-wise Outlay and Expenditure 49

III. Statement Showing Actual Position of Resource Generation 51

IV. Minutes of the sitting of the Standing Committee on Coal and Steel held on 22.03.10 52

V. Minutes of the sitting of the Standing Committee on Coal and Steel held on 12.04.10 55

COMPOSITION OF THE STANDING COMMITTEE ON COAL AND STEEL (2009-2010)

Shri Kalyan Banerjee — *Chairman*

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Nominated *w.e.f.* 11.01.2010

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2. Shri Shiv Singh — *Director*
3. Smt. Sunita — *Deputy Secretary*
4. Shri Gurpreet Singh — *Exe. Assistant*

** Nominated *w.e.f.* 23.12.2009 *vice* Shri A. Vijayaraghawan.

INTRODUCTION

I, the Chairman, Standing Committee on Coal and Steel having been authorized by the Committee to present the Report on their behalf, present this Fouth Report (Fifteenth Lok Sabha) on Demands for Grants (2010-11) relating to the Ministry of Coal.

2. The Demands for Grants of the Ministry of Coal were laid on the Table of the House on 10th March 2010. Under rule 331E of the Rules of Procedure and Conduct of Business in Lok Sabha, the Standing Committee on Coal and Steel are required to consider the Demands for Grants of Ministries under their jurisdiction and make Report on the same to both the Houses of Parliament.

3. The Committee took evidence of the representatives of the Ministry of Coal on 22nd March, 2010.

4. The Report was considered and adopted by the Committee at their sitting held on 12th April, 2010.

5. The Committee wish to express their thanks to the representatives of the Ministry of Coal who appeared before the Committee and placed their considered views. They also wish to thank them for furnishing the replies on points raised by the Committee.

6. For facility of reference and convenience, the observations/ recommendations of the Committee have been printed in bold letters and placed as Part-II of the Report.

NEW DELHI;
12 *April,* 2010
22 *Chaitra,* 1932 *(Saka)*

KALYAN BANERJEE,
Chairman,
Standing Committee on Coal and Steel.

REPORT

CHAPTER I

INTRODUCTORY

India has a long history of commercial coal mining covering nearly 220 years starting from Raniganj Coalfield along the Western bank of river Damodar and today India is one of the major coal producers in the world with an annual production of over 400 million tones.

Coal has been recognized as the most important source of energy for electricity generation in India. About 75% of the coal in India is consumed in the power sector. In addition, other industries like steel, cement, fertilizers, chemicals, paper and thousands of medium and small-scale industries are also dependent on coal for their process and energy requirements. In the transport sector, though direct consumption of coal by the Railways is almost negligible on account of phasing out of steam locomotives, the energy requirement for electric traction is still dependent on coal converted into electric power. On account of the growing needs of the economy, a thrust has to be given on systematic exploitation of coking coal reserves in the country.

1.2 The main subjects allocated to the Ministry under the Government of India (allocation of Business) Rules, 1961 as amended from time to time, are exploration and development of coking coal and non-coking coal and lignite deposits in India; all matters pertaining to production, supply, distribution and pricing of coal; development and operation of coal washeries; low temperature carbonization of coal and production of synthetic oil from coal; Administration of Coal Mines (Conservation and Development) Act, 1974, Coal Mines Provident Fund and Miscellaneous Provisions Act, 1948, Coal Bearing Areas (Acquisition and Development) Act, 1957, the Coal Mines Provident Fund Organization; and administration of Public Sector Enterprises dealing with coal and lignite.

1.3 The Ministry of Coal has, under its direct administrative control, the following two Public Sector Undertakings;

(i) Coal India Ltd. (CIL), and

(ii) Neyveli Lignite Corporation Ltd. (NLC)

Coal India Ltd., having headquarters of Kolkata, is the holding company with seven producing subsidiaries and one planning and design subsidiary, *viz*:—

(i) Eastern Coalfields Limited (ECL), Sanctoria (West Bengal)

(ii) Bharat Coking Coal Limited (BCCL), Dhanbad (Jharkhand)

(iii) Central Coalfields Limited (CCL), Ranchi (Jharkhand)

(iv) Northern Coalfields Limited (NCL), Singrauli (Madhya Pradesh)

(v) Western Coalfields Limited (WCL), Nagpur (Maharashtra)

(vi) South Eastern Coalfields Limited (SECL), Bilaspur (Chhattisgarh)

(vii) Mahanadi Coalfields Limited (MCL), Sambalpur (Orissa)

(viii) Central Mines Planning & Design Institute Ltd. (CMPDIL), Ranchi (Jharkhand)

1.4 The Singareni Collieries Company Limited (SCCL) incorporated as a public limited company in 1920, became a Government Company in 1956 with headquarters at Kothagudem in Andhra Pradesh. The company is a joint undertaking of Government of Andhra Pradesh and Government of India. The share capital of this Company is held by the Government of Andhra Pradesh and Government of India in the ratio of 51:49 respectively. This company is engaged in the exploitation of coal reserves in the State of Andhra Pradesh.

Coal Controller's Organisation, Kolkata

1.5 The statutory functions performed by Coal Controller's Organisation, a subordinate office, are checking of quality of coal including settlement of complaints *vis-à-vis* grading and quality of coal despatches, adjudicating claims on grade; regulatory authority to grant permission for opening and reopening of seams and mines; distribution of coking as well as non-coking coal; disposal of objections received under the Coal Bearing Areas (Acquisition and Development) Act, 1957 and collection and publication of statistical information on coal and lignite in pursuance to Statistics Act, 1955.

Coal Mines Provident Fund Organisation (CMPFO), Dhanbad

1.6 Coal Mines Provident Fund Organisation (CMPFO) is an autonomous body set up under the Coal Mines Provident Fund and

Miscellaneous Provisions Act, 1948. CMPFO administers the Coal Mines Provident Fund Scheme , 1948, the Coal Mines Deposit Linked Insurance Scheme, 1976 and Coal Mines Pension Scheme, 1998. All these schemes have been formulated under the provision of the Act of 1948.

1.7 The Ministry in Outcome budget (2010-11), while detailing the Budget Estimates and the Plan Outlay of the Ministry of Coal and Coal PSUs also brings out the quantifiable deliverables and physical outputs along with the timelines for both the Plan and Non-Plan schemes operated in the Ministry of Coal. The new initiatives and policy measures on the new coal distribution policy, fresh E-auction scheme, revision in the coal Royalty Rate, the formation of Coal Ventures International (Special Purpose Vehicle of the Central Public Sector Undertakings including Coal India Limited) etc. are also brought out in the Outcome Budget 2010-11. In addition, the Outcome Budget also addresses the issues relating to measures to increase coal production through Emergency Coal Production Plan and Captive Coal Block allocation.

1.8 The detailed Demands for Grants of the Ministry of Coal were presented to Lok Sabha on 10 March, 2010. The Committee in the present Report have examined various issues related to implementation of various schemes/plans/programmes under the preview of the Ministry of Coal. In the context of Demands for Grants 2010-11, the detailed analysis alongwith observations/recommendations of the Committee on various issues have been given in the succeeding chapters of the Report.

CHAPTER II

ANALYSIS OF DEMANDS FOR GRANTS (2010-11)

The budgetary allocation (BE & RE) of Ministry of Coal for the financial year 2010-11 are as under:—

A. Non-Plan Budget

2.1 The Non-Plan Budget (2010-11) of Rs. 47.70 crores mainly comprises of funds required for Secretariat (Economic Services), Coal Controller's Organisation, payment of Government contributions statutorily required under Coal Mines Pension Scheme, 1998 framed under Coal Mines Provident Fund and Misc. Provisions Act, 1948. Government was also providing in past contribution towards Coal Mines Deposit Linked Insurance Scheme, 1976 but Government contribution has been discontinued from 2009-10 and the liability has been taken over by the CIL. Further an amount of Rs. 30.00 crores have been kept for payment of compensation for acquisition of coal bearing areas under Coal Bearing Areas (Acquisition and Development) Act, 1957. However since the lands acquired become properties of the subsidiary companies of the CIL, the CIL deposits a fund with the Government of India (Ministry of Coal) and the Ministry of Coal releases the amount of compensation through the subsidiary companies for releasing the same to the land oustees by the subsidiary companies. These releases of Compensation thus do not entail any net outgo from Government. The Non-Plan Budget can not be linked to deliverable outputs.

B. Plan Budget

2.2 Details of Plan outlay for the year 2009-10 and 2010-11 are given in the following table:—

(Rs. in crore)

Company/Schemes	2009-10 (BE)	2009-10 (RE)	2010-11 (BE)
(1)	(2)	(3)	(4)
(i) Plan expenditure to be incurred by the PSUs from their Internal and Extra Budgetary Resources (IEBR) without Budgetary support from GOI			

(1)	(2)	(3)	(4)
CIL	2900.00	3100.00	9800.00
SCCL	580.57	633.94	1334.93
NLC (Coal)	524.09	386.40	313.94
NLC (Power)	1369.75	844.93	1669.52
NLC (TOTAL)	1893.84	1231.34	1983.46
TOTAL (i) (IEBR)	5374.41	4965.28	13118.39
(ii) Gross Budgetary Support (GBS) for Central schemes			
Information Technology	3.00	0.25	0.45
Coal Controller	0.31	0.33	0.25
Conservation and safety in Coal Mines	135.00	135.00	135.00
Development of Transport Infrastructure in coalfields	22.00	0.01	22.00
Research and Development (Science and Technology)	20.00	11.00	10.00
Regional Exploration	30.39	30.39	68.00
Environmental Measures and Subsidence Control (EMSC)	15.00	10.53	30.00
Detailed Drilling	60.00	60.00	110.00
Lump Sum provision for North Eastern Region	14.30	12.49	24.30
TOTAL (ii) (GBS)	300.00	260.00	400.00
GRAND TOTAL (i + ii) (IEBR + GBS)	5674.41	5225.28	13518.39

In the Plan outlay 2010-11, provision has been made for (i) Regional Exploration (Rs. 68.00 crore), EMSC (Rs. 30.00 crore), Research and Development (S&T) (Rs. 10.00 crore), Detailed Drilling (Rs. 110.00 crore), Conservation and Safety in Coal Mines (Rs. 135.00 crore) and Development of Transport Infrastructure in Coalfield Areas (Rs. 22.00 crore). Provision of Rs. 0.45 crore has been made for Information Technology. It is proposed to provide more IT equipments especially to cater the need for digital imaging solutions so that more and more work is assisted through IT. The Budget provision will also be utilized for further strengthening the IT infrastructure of the Ministry for creating more online working environment. The amount of Rs. 24.30 crore being 10% of the Plan outlay has been kept as per mandatory requirement of funds earmarked to be spent for the development of NE Region.

2.3 Giving the details of Plan Outlays for the Ministry of Coal, including Budgetary Support and IEBR, for the last three years the Ministry of Coal has furnished the information as under:—

A.

	2006-07			2007-08			2008-09			2009-10		
	BE	**RE**	**Actual**	**BE**	**RE**	**Actual**	**BE**	**RE**	**Actual**	**BE**	**RE**	**Actual upto Dec., 2009**
Allocation for GBS	168.71	300.00	269.36	250.00	377.00	280.00	300.00	210.00	197.06	300.00	260.00	77.11
Allocation for investment to be made by PSUs through their own IEBRs	4630.79	3942.95	3631.97	5049.69	4516.97	4376.19	6597.00	5315.64	4716.76	5374.41	4965.28	3326.33
Total Allocation	**4799.50**	**4242.95**	**3901.33**	**5299.69**	**4893.97**	**4656.19**	**6897.00**	**5525.64**	**4913.82**	**5674.41**	**5225.28**	**3403.44**

B. Capital Outlay of Public Sector Undertakings (PSU)s

(Rs. in crore)

Names of PSUs	Actual 2007-08	Actual 2008-09	RE 2009-10	Actual 2009-10 (upto Dec., 09)	BE 2010-11
CIL	2033.51	2507.17	3100.00	1963.49	9800.00
NLC	1766.71	1569.14	1231.34	896.38	1983.46
SCCL	573.97	650.44	633.94	466.46	1334.93
Total	4374.19	4726.75	4965.28	3326.33	13118.39

C. Ministry of Coal operates six Plan Schemes namely:—

(a) Research and Development
(b) Regional Exploration
(c) Detailed Drilling
(d) Environmental Measures and Subsidence Control
(e) Conservation and Safety in Coal Mines
(f) Development of Transport Infrastructure in Coalfields Areas

The status of the Budget provision and the expenditure for these six schemes are given below:—

Research & Development Projects

(Rs. in crore)

Actual 2007-08	Actual 2008-09	RE 2009-10	Actual 2009-10 (Apr.-Dec. '09)	BE 2010-11
12.86	10.00	11.00	6.50	10.00

Promotional (Regional) Exploration in Coal & Lignite

(Rs. in crore)

Actual 2007-08	Actual 2008-09	RE 2009-10	Actual 2009-10 (Apr.-Dec. '09)	BE 2010-11
34.99	30.00	30.39	30.39	68.00

Note: Actual figures are amount released by Ministry of Coal for ex-NE region.

Detailed Drilling in Non-CIL/Captive Mining Blocks

(Rs. in crore)

Actual 2007-08	Actual 2008-09	RE 2009-10	Actual 2009-10 (Apr.-Dec. '09)	BE 2010-11
40.00	15.00	60.00	60.00	110.00

Note: Actual figures are amount released by Ministry of Coal for ex-NE region.

Environmental Measures and Subsidence Control

(Rs. in crore)

Actual 2007-08	Actual 2008-09	RE 2009-10	Actual 2009-10 (Apr.-Dec. '09)	BE 2010-11
17.99	9.90	10.53	NIL	30.00

Note: 1. The actual disbursement since inception of the EMSC schemes till 31.12.2009 including four RCFS schemes sanctioned in 2001-02 is Rs. 129.67 crores. Now all the EMSC Schemes are part of the approved Master Plan for Jharia and Raniganj.

Conservation and Safety in Coal Mines

(Rs. in crore)

Actual 2007-08	Actual 2008-09	RE 2009-10	Actual 2009-10 (Apr.-Dec. '09)	BE 2010-11
150.38	132.00	135.00	Nil	135.00

Development of Transport Infrastructure

(Rs. in crore)

Actual 2007-08	Actual 2008-09	RE 2009-10	Actual 2009-10 (Apr.-Dec. '09)	BE 2010-11
23.58	0.0	0.01	Nil	22.00

Development of North Eastern Region/Sikkim

(Rs. in crores)

Actual 2007-08	Actual 2008-09	RE 2009-10	Actual 2009-10	BE 2010-11
0.00	0.00	12.49	0.00	24.30

2.4 The Ministry have furnished the details of the utilization of funds during the first three years of the XI Plan are given as under:—

A. Central sector schemes

S. No.	Name of the Scheme	XI Plan approved outlay as per Mid term appraisal	2007-08 Actual	2008-09		2009-10			Remarks
				RE	Actual	BE	RE	Actual (upto Dec, 2009)	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1.	Research and Develop-ment	75.35	12.86	10.00	10.00	20	11.00	6.50	An amount of Rs. 4.50 cr. more is likely to be released in the last quarter of 2009-10.Pace of utilization of funds under various projects remained slow due to various factors including the rescheduling of some projects and therefore overall funds utilsation remained low under the scheme.
2.	Promotional / Regional Exploration (i) Financial Outlay	305.82	34.99	34.70	30.00	30.39	30.39	30.39	
3.	Detailed Drilling in Non-CIL Blocks (i) Financial Outlay	523.08	40.00	15.00	15.00	60.00	60.00	60.00	

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
4.	Environmental Measures and Subsidence Control (EMSC)	1713.75	17.99	10.00	9.90	15.00	10.53	Nil	The Master Plan for Jharia and Raniganj Coalfields has recently been sanctioned by the Govt. in August, 2009. The implementation of various activities contained in the Master Plan are being monitored by a High Powered Committee under the Chairmanship of Secretary (Coal). It has been decided while approving the Master Plan that out of the total cost of the Master Plan, CIL will share Rs. 4200 cr. from its own resources @ Rs. 350 cr. per annum. Keeping this in view the expenditure out of GBS are ruled out in the year 2009-10.
5.	Conservation and Safety in Coal Mines	690.75	150.38	132.00	132.00	135.00	135.00	Nil	Scheme is yet to be approved by the Govt. for inclusion in the XI Plan. During 2008-09 exemption for incurring expenditure for the scheme was accorded by Ministry of Finance. In-principle approval from Planning Commission has

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
									been obtained. EFC has to consider the proposal. Pending approval by EFC, M/o Finance, Dept. of Expenditure has accorded approval *vide* I.D dated 12/2/ 2010, to release the funds against the BE/ RE provision. Release of the funds is under process.
6.	Development of Transportation Infrastructure in Coalfields	930.92	23.58	0.01	0.00	22.00	0.01	Nil	The scheme is yet to be approved by the Govt. for implementation during the XI Plan for which in principle approval is awaited from Planning Commission.

B. Utilisation of PSUs from their IEBR

PSE : Coal India Limited

(Rs. in crores)

Period	Internal Resources*	Bonds/ Debentures	ECB/ Supplier's Credit	Others	Total IEBR	Total Budgetory Support	Total Plan Outlay
ACTUAL 2007-08	22786.56	0.00	0.00	0.00	22786.56	0.00	2033.51
ACTUAL 2008-09	32034.24	0.00	0.00	0.00	32034.24	0.00	2507.17
(RE) 2009-10	35749.48	0.00	0.00	0.00	35749.48	0.00	3100.00

* Internal resources include opening balance.

The reasons for not achieving the targets are as follows:

i. Delay in land acquisition and forestry clearance.

ii. Frequent stoppage by villagers demanding R & R benefit beyond norms.

iii. Delay in providing required land for rehabilitation of PAFs by State Govts. causing non-shifting of village though employment and compensation given to PAPs.

Neyveli Lignite Corporation

The physical performance is as below:

Year		**Lignite (LT)**	**Power (Gross) (MU)**
2007-08	Target	200.50	15705.00
	Actuals	215.46	17456.89
	Achievement (%)	107.46	111.15
2008-09	Target	211.40	16299.00
	Actuals	213.08	15767.98
	Achievement (%)	100.79	96.74
2009-10 (Upto Jan.' 10)	Target	173.30	13494.00
	Actuals	184.05	14677.00
	Achievement (%)	112.79	108.77

- The Ministry have informed the Committee that the physical targets have been achieved by more than 100% during 2008-09. In 2008-09 targeted power generation was not achieved due to restricted lignite supply from the linked Mines owing to non availability of required land for mining activity, also heavy rainfall affected Power Generation. However it is expected to achieve the target during 2009-10. NLC does not find any difficulty in achieving the targets fixed for BE 2010-11.

- The Financial performance is as below:

(Rs. in crores)

Year		Coal Sector	Power Sector	Total
2007-08	Target	795.83	1211.14	2006.97
	Actuals	578.54	1188.17	1766.71
	Achievement (%)	72.70	98.10	88.00
2008-09	Target	772.00	1945.00	2717.00
	Actuals	400.05	1159.10	1559.15
	Achievement (%)	51.82	59.59	57.38
2009-10 (Upto Jan.' 10)	Target	357.06	1062.37	1419.43
	Actuals	278.79	771.72	1050.51
	Achievement (%)	78.07	72.64	74.00

- It may be seen from the above that 74% of the target was achieved during the period upto Jan. in 2009-10. In Coal sector there was some land acquisition problems now being settled; besides this, delay in supply and erection of equipments got delayed in Mines II expansion which forms almost the whole share of shortfall. In power sector also, delay in supply and erection of equipments by the main plant contractor in TPS II expansion and Barsingsar projects are the major contributories to this shortfall in expenditure. Issuance of LOI, got delayed and could be finalsed only in Jan. 2009. Hence, payment for suppliers did not materialize as expected.

- Implementations of new projects are in advanced/completion stage. The targeted Plan outlay will be achieved in 2010-11. It is also expected that the same trend will continue in ensuing years also.

Singareni Collieries company Limited (SCCL)

The Annual Plan allocations and actuals during the last three years and the current year are as under.

(Rs.in crores)

Schemes	2006-07 BE	2006-07 RE	2006-07 Actual	2007-08 BE	2007-08 RE	2007-08 Actual	2008-09 BE	2008-09 RE	2008-09 Actual	2009-10 BE	2009-10 RE
Existing Mines	11.35	18.02	25.62	23.96	11.64	21.66	15.46	12.00	4.37	11.00	3.40
Completed Projects	233.85	272.07	181.47	250.56	235.76	341.31	125.08	122.47	370.06	55.60	176.71
Ongoing Projects	251.28	268.28	238.94	273.44	253.23	208.90	491.00	504.47	271.23	484.47	339.78
New Projects	80.61	18.72	2.60	22.62	19.37	2.10	33.76	26.36	4.78	29.50	114.05
Total	**577.09**	**577.09**	**448.63**	**570.58**	**520.00**	**573.97**	**665.30**	**665.30**	**650.44**	**580.57**	**633.94**

- From the above it can be seen that in the year 2006-07 the Budgeted estimate and Revised estimate were same. The actual expenditure was Rs. 448.63 crores against BE/RE Rs. 577.09 crores, which amounts to 77.74%. The reason for less expenditure was due to spill over of HEMM procurement proposals and Land acquisition proposals to 2007-08.

- It can be known from the above statement that investment envisaged in 2007-08 BE was Rs. 570.58 crores and RE was Rs. 520.00 crores. The actual expenditure incurred was Rs. 573.97 crores, which works out to 100.60% over BE and 110.40% over RE.

- In 2008-09 Rs. 665.30 crores was provided in BE/RE and the expenditure incurred was Rs. 650.44 crores, which works out to 97.76%.

- For the year 2009-10 the investment proposed in BE was Rs. 580.57 crores and the RE has been proposed as Rs. 633.94 crores. There is an increase by Rs. 53.37 crores in RE 2009-10 when compared to BE 2009-10.

Rs. 526.76 crores (provisional) have been spent upto January 2010 against RE of Rs. 633.94 crores envisaged in 2009-10. This amounts to 83.09% of RE.

2.5 On being asked about the reasons for the drastic increase in the budgetary allocations for the year 2010-11, the Secretary, Ministry of Coal deposed before the Committee as under:—

"In BE of 2010-11, Rs. 9800 crores which you are saying as three times of what it was, out of that, Rs. 3800 crores is actually the capital outlay for the year and we have earmarked Rs. 6000 crores for the purpose of asset acquisition abroad on which certain developments have taken place. We expect that because of these developments, it may be possible for certain sanctions to come in this area and we may require to invest abroad. You have asked about the efforts that we have been making for projects abroad.

First of all, in the competitive bidding process, we have been able to get two blocks in Mozambique. These blocks are unexplored. We have created subsidiary companies there called Coal India Africana Limited which has been registered in Mozambique. We have got the exploration licence in favour of that company just now. There the expenditure will be limited. It will be only for exploration purposes. It will take about two years to complete the exploration and then we will come to a stage when we will start the mining process. But another initiative we have taken, that is floating of global expression of interest throughout four countries, namely, Australia, Indonesia, South Africa and USA inviting the coal mining measures to enter into a strategic alliance. This strategic alliance is in three parts. One is we would like to infuse equities in companies and allow them to mine more coal than what they have been doing so far, get that coal back into this country. As a result, we are expecting that the price of that coal will be better than the price at which the country is importing coal today. So, there will be value addition in that. There has been a significance response to this global expression of interest. Very large companies like Peabody Energy have responded. The sub Committee of the Board has considered all the proposals. They have identified about ten proposals where due diligence can be

started. So, in the last board, we got clearance for due diligence. If in all the projects this process gives a positive result which means the projects are worth taking up, then it may involve an investment of about 1.5 billion dollars which is more than Rs. 7000 crores. That is why, we have kept this Rs. 6000 crore. This explains the increase in investment."

CHAPTER III

INVESTMENT IN COAL PUBLIC SECTOR UNDERTAKINGS

3.1 The BE 2009-10 for Coal India Limited (CIL) was increased from Rs. 2900.00 crore to Rs. 3100.00 crores at RE stage. Now a provision of Rs. 9800.00 crore has been made for the year 2010-11 9800.00 crore.

PLAN INVESTMENT IN PUBLIC ENTERPRISES

		BE 2009-10			RE 2009-10			BE 2010-11		
		Budget Support	**IEBR**	**Total**	**Budget Support**	**IEBR**	**Total**	**Budget Support**	**IEBR**	**Total**
	Investment In Public Ent.									
12	Coal India Ltd.	0.00	2900.00	2900.00	0.00	3100.00	3100.00	0.00	9800.00	9800.00
13	Singareni Collieries Company Ltd.	0.00	580.57	580.57	0.00	633.94	633.94	0.00	1334.93	1334.93
14	Neyveli Lignite Corporation Limited (Mines)	0.00	524.09	524.09	0.00	386.40	386.40	0.00	313.94	313.94
14.1	Neyveli Lignite Corporation Limited (Power)	0.00	1369.75	1369.75	0.00	844.94	844.94	0.00	1669.52	1669.52
14.2	Neyveli Lignite Corporation Limited (Total)	0.00	1893.84	1893.84	0.00	1231.34	1231.34	0.00	1983.46	1983.46
15	Total (Investment in PEs on Coal and Lignite)	0.00	4004.66	4004.66	0.00	4120.34	4120.34	0.00	11448.87	11448.87
16	Total (Investment in PEs on Power)	0.00	1369.75	1369.75	0.00	844.94	844.94	0.00	1639.52	1369.52
17	Total (B) (Plan Investment in Public Enterprises of MOC)	0.00	5374.41	5374.41	0.00	4965.28	4965.28	0.00	13118.39	13118.39
18	Total Plan Outlay (MOC) (A+B)	300.00	5374.41	5674.41	260.00	4965.28	5225.28	400.00	13118.39	13518.39

The physical targets set out for coal PSUs each year during the last three and the achievement thereof are given below.

(in million tonnes)

Company	2006-07		2007-08		2008-09	
	Target	Actual	Target	Actual	Target	Actual
CIL	363.80	360.91	384.51	379.46	405.00	403.73
SCCL	37.50	37.71	38.04	40.60	41.50	44.54
Others	28.80	32.21	37..95	36.94	50.79	44.66
Total	430.10	430.83	460.50	457.00	497.29	492.95

Reasons for Shortfall

As per as achievement of production target is concerned, CIL has achieved almost its target. However, due to some adverse geo-mining conditions, delay in forests land acquisition and law & order problems in some coalfields affected the production marginally.

Lignite and Power

The physical target (Lignite and Power Production) *vis-à-vis* achievement of NLC for last three years are given as under:—

Product	2006-07			2007-08		
	Target	Actual	Excess/ Shortfall	Target	Actual	Excess/ Shortfall
Lignite (LT)	204.00	210.14	6.14	200.50	215.86	15.36
Power gross (MU)	15705	15786.58	81.58	15705.00	17456.89	1751.89

Product	2008-09			2009-10 (upto December 2009)		
	Target	Actual	Excess/ Shortfall	Target	Actual	Excess/ Shortfall
Lignite (LT)	211.40	213.07	1.67	151.70	163.05	11.35
Power gross (MU)	16299.00	15767.98	(-) 531.02	11876.00	13064.17	1188.17

The physical targets in respect of lignite production were achieved during the last three years and for the current year 2009-10 upto December 2009 as above. Power Generation targets were achieved in 2006-07, 2007-08, for the current year 2009-10 upto December 2009 and registered a marginal shortfall during the year 2008-09. The shortfall was due to restricted availability of lignite owing to non availability of Land and unprecedented highest rainfall in 2008.

3.2 Regarding the Financial targets (Capital Outlay provision) *vis-à-vis* achievements of CIL, SCCL and NLC for last three years, the Ministry of Coal has stated as under:—

(Rs. in crores)

Company	2006-07		2007-08		2008-09	
	BE	Actual	BE	Actual	BE	Actual
CIL	3063.70	2059.69	2472.14	2033.51	3214.70	2507.17
SCCL	577.09	448.63	570.58	573.97	665.30	650.44
NLC-Mines	459.00	669.18	795.83	578.54	506.79	400.05
Power	531.00	454.47	1211.14	1188.17	1388.55	1159.10
Total NLC	990.00	1123.65	2006.97	1766.71	1895.34	1559.15

3.3 Furnishing the percentage of achievement of plan targets (both in the physical and financial terms) during the proceeding year of plan, the Ministry of Coal has stated as under.

"The Physical target (Coal Production) *vis-à-vis* achievement of CIL and SCCL during preceding year is given as under:—

(in million tonnes)

Company	2008-09		Achievement	2009-10	
	Target	Actual	%	Target	Actual
CIL	405.00	403.73	99.69	437.40	338-42
SCCL	41.50	44.54	107.32	45.00	41.03

The Financial target (Capital Outlay) provision *vis-à-vis* achievement of CIL and SCCL during preceding year is given as under:—

(Rs. in crores)

Company	2008-09		Achievement	2009-10	
	Target	Actual	Target	Target	Actual
CIL	3214.70	2507.17	80	310.00	1963.49
SCCL	665.30	650.44	97.77	633.94	466.46

Position of profit before tax set out for CIL during last three years and achievement thereof is given as under:—

(Rs. in crores)

2007-08 Target/BE	2007-08 Actual	2008-09 Target/BE	2008-09 Actual*	2009-10 Target/BE	2009-10 RE
8459.95	8738.46	10872.05	5744.10	7895.58	9584.30

* The increase in pay and wages revision by a staggering Rs. 8348.70 cr. and the effect of bringing down the pre-tax profit from Rs. 14092.80 cr. to Rs. 5744.10 cr.

Neyveli Lignite Corporation Limited

Product	XI Plan Target		Actual of (2007-08, 2008-09 & 2009-10 upto December 09)	% Achievement against	
	Original	MTA		Original	MTA
A. Physical:					
Lignite (MT)	120.61	114.90	59.198	49.08	51.52
Power gross (MU)	100753	89712	46289	45.94	51.60
B. Financial:					
Plan Outlay (Rs. In crs.)	15043.92	8475	4222.24	28.07	49.82

The Ministry have furnished the following reason for Slow Progress:—

Physical

- As of now there is no shortfall in lignite excavation or power generation. The shortfall in power generation during the year 2008-09 was mainly due to restricted supply of lignite owing to delay in land acquisition. However delay in commissioning of New Projects may affect the production of Lignite and Power Generation in coming years.

Financial

- There is some delay in implementation of ongoing projects namely TPS-II Expansion, Mine-II Expansion and Barsingsar Mines and Thermal.
- There was some delay in erection of equipments in Mine-II Expansion project. The main Plant contractor (M/s BHEL) for TPS-II Expansion is behind the schedule. Both supply and erection are getting delayed.
- There was also delay in supply and erection by main plant contractor. Barsingsar TPS is behind the schedule.
- While formulating the XI plan it was anticipated that Jayamkondam Mine cum Power plant, Bithnok Mine cum Power Plant would be sanctioned in December 2005. Feasibility report for Bithnok Mine cum Power Plant was submitted to MOC in Oct. 2009 and in respect of other projects, feasibility report is yet to be firmed up.

3.4 Explaining the reasons for fall in production targets, the representatives of Ministry of Coal informed the Committee during the oral evidence as under:—

> "As far as the 33 million tones shortfall which has come up, primarily, we have identified 17 projects. There are delays in both phase I and II and between I and II. Even after submission of MPV, there is a delay. We have given details of those delays. These 17 projects are to contribute 101 million tones in the year.
>
> Even with all efforts they can go to a maximum level of 47 million tonnes. That is the estimation done by the CMPD and our Planning Departments. There is a gap of 54 million tonnes, between 101 million tonnes and 47 million tonnes. So, we looked at all the on-going projects where approvals are in place. We thought that we can expedite certain actions, prepone certain actions and produce more from those projects. So, that has yielded an additional production of twenty million tonnes from the on-going projects. That is how the deficit has been contended at 34 million tones. It is entirely because of the factors related to the forest clearance delays on which we do not have too much control. We have been having very regular meetings at the Minister level, at the Secretaries level. Some progress has taken place, but not much. This is the situation. That is why we have to revise the targets for 2010-11 and 2011-12."

CHAPTER IV

MID TERM APPRAISAL OF THE XI FIVE YEAR PLAN

4.1 There has been continuous increase in the sector-wise as well as overall demand for coal over the years. The demand from Power sector in particular has increased significantly from 339.15 million tonnes (including middling) in the terminal year of Xth Plan (2006-07) to 396.89 million tonnes in 2008-09. It is estimated to be 441 million tonnes for the year 2009-10. The projected demand for the year 2010-11 is 486 million tonnes. Sector-wise total coal demand during 2006-07 to 2011-12 (projected) is given below:—

(Million tonnes)

	Xth Plan	XI Plan					
Sector	**(2006-07) Actual**	**2007-08 Actual**	**2008-09 Actual**	**2009-10 BE**	**2009-10 RE**	**2010-11 BE**	**2011-12 (Proj.)**
I. Coking Coal							
Steel/Coke Ovens & Cokeries	17.30	17.99	15.95	20.29	17.26	17.92	27.65
Steel (Import)	17.88	22.03	21.08	—	27.26	32.59	40.85
Sub-Total Coking	35.17	40.01	37.03	20.29	44.52	50.51	68.50
II. Non-Coking Coal							
Power Utilities (Gen.Req.)	307.84 (1.54)*	332.09 (1.35)*	361.10 (1.23)*	397.54	401.00	442.00	483.00
Captive Power	28.13 (1.64)*	31.58 (1.55)*	33.18 (1.38)*	57.66	40.00	44.00	57.06
Cement	19.74	19.32	19.39	25.59	25.59	30.00	31.90
Steel DR	17.47	20.92	19.71	44.33	28.80	28.80	28.96
BRK & others	55.52	60.29	75.32	58.93	58.07	61.00	61.58
Sub-Total Non-Coking	428.70 (3.18)*	464.20 (3.18)*	508.69 (2.61)*	584.04	553.46	605.80	662.50
Grand Total (I+II):	463.87 (3.18)*	504.21 (3.18)*	545.72 (2.61)*	604.33	597.98	656.31	731.00

* Middlings.

Coal Production

Coal production in Coal India Limited and SCCL are as under:—

(In million tonnes)

Company	2006-07 Actual	2007-08 Actual	2008-09 Actual	2009-10 (RE)	Actual upto Dec.2009	2010-11 (BE)
CIL	360.91	379.46	403.73	435.00	295.52	460.50
SCCL	37.71	40.60	44.54	45.00	36.546	45.50
Others	31.88	36.94	44.66	52.83	33.022	65.87
Total	430.50	457.00	492.95	532.83	365.088	571.87

Through a sustained programme of investment and greater thrust on application of modern technology, it has been possible to raise the production of coal from a level of about 96 million tonnes at the time of nationalization of coal mines in the early seventies to about 492.95 million tonnes (All India) by 2008-09. Targeted coal production in the year 2009-10 will be to a level of 532.83 Million tonnes. With a view to meet the increased demand of coal, new coal mining projects and welfare activities are proposed to be taken up.

4.2 In the Mid Term Appraisal of XI Five Year Plan, the Ministry have stated as under:—

> "The projected production of 680 mt. in 2011-12, the terminal year of the XI Plan against the actual production achieved in 2006-07, the terminal year of the X Plan of 430.83 mt. implies a growth in production of 9.5% (CAGR) against 5.6% achieved in the X Plan. The trend in production in the first two years of XI Five Year Plan indicates a CAGR of 6.96%. The main reasons for shortfall have been constraints in project implementation on account of delays in forestry clearances, land acquisition and related R&R issues and law and order problems. Further, lack of evacuation facilities in some coal fields are adversely affecting coal production supplies to the end use plants.
>
> As a result of these delays about 33 mt. of production loss from 14 projects is anticipated in CIL. Further, out of 134 new projects envisaged to be taken up in XI Plan, 66 projects stand approved. However, realization of production from these projects will also be subject to timely availability of land.
>
> Similarly, the initially projected production of 104 mt. from 93 captive blocks is now envisaged to be about 81 mt. only from 92 blocks."

The production now envisaged in 2011-12 is 623.41 mt. only against 680 mt. as envisaged initially. There is an urgent need to address the issues of forestry clearances and land acquisition in order to realize the projected production levels. The company-wise production details are furnished in Annexure-I

Capital Outlay and Expenditure

The XI Plan approved an outlay of Rs. 37100.37 crores for Ministry of Coal including Rs. 35774.37 crores for three PSUs and Rs. 1326 crore for the central schemes under implementation.

Coal PSUs

Out of Rs. 35774.37 crores, the outlay for CIL was Rs. 17390.07 crores; SCCL Rs. 3340.30 crores and NLC Rs. 15044 crores. As against this the actual expenditure in the first two years of the plan in CIL was Rs. 4540.68 crores or 26% of the outlay provided. In view of the fact that there is a delay in implementation of a number of projects for various reasons, CIL now proposes to revise the outlay downwards to Rs. 16090.68 crores in the MTA.

NLC also suffered problems in timely completion of projects mainly on account of land acquisition and equipment supplies by the contractors. It has now proposed to revise XI Plan outlay downwards to Rs. 8475 crores from Rs. 15043.92 crore.

In case of SCCL, in view of proposed investments in the recently approved longwall projects the outlay is proposed to be revised upwards to Rs. 3802.07 crores from Rs. 3340.30 crore. The Company-wise outlay and expenditure details are furnished in Annexure II.

The outlays provided to the coal PSUs were to be met from IR & EBR. The projected resource position (IEBR) for the XI Plan was Rs. 69926.77 crores comprising Rs. 51542.55 crores for CIL: Rs. 3340.30 crores for SCCL and Rs. 15043.92 crores for NLC.

The revised IEBR position indicates a decline in the IR at MTA level in case of CIL and NLC. Whereas the IR position of SCCL has improved from (-) Rs. 959.70 crore to Rs. 3702.07 crores. The actual position of resource generation is given in Annexure-III.

Lignite

The Production Programme of NLC for BE 2009-10, RE 2009-10 and BE 2010-11 with actual of 2007-08 and 2008-09 are given below:—

Item	2007-08 (Actual)	2008-09 (Actual)	2009-10		2010-11 (BE)
			BE	RE	
1. Lignite (Million tonnes)	21.59	21.31	21.75	21.75	24.14
2. Power (MU)	17456.58	15765.56	16600	16784	18758

4.3 Giving the details of the funds allocated during current Five Year Plan, amount actually spent, targets fixed for various activities *vis-à-vis* actual achievements, the reasons for not achieving the targets, the Committee has been informed as under:—

(Rs. in crores)

Schemes	XI Plan Approved outlay 2007-12	XI Plan MTA revised outlay	2007-08 BE	2007-08 Actual	2008-09 BE	2008-09 Actual	2009-10 BE	2009-10 RE
CIL	17390.07	16.90.68	2319.79	2033.51	3214.70	2289.06	2900.00	3100.00
SCCL	3340.30	4211.55	570.58	573.97	665.30	650.44	580.57	633.94
NLC-Mines	2993.00	2334.39	795.83	578.94	772.00	400.05	524.09	386.40
Power	12051.00	6140.61	1211.14	1188.17	1945.00	1159.10	1369.75	844.94
Total NLC	15044.00	8475.00	2006.97	1766.71	2717.00	1559.15	1893.84	1231.34
Sub Total	35774.37	28367.75	4897.34	4374.19	6597.00	4498.65	5374.41	4965.28
S&T	75.35	75.35	22.54	12.86	10.00	10.00	20.00	11.00
Regional Exploration	164.02	305.82	63.59	34.99	30.00	30.00	30.39	73.77
Detailed Drilling	472.94	523.08	195.93	40.00	60.00	15.00	60.00	139.08
EMSC	155.34	—	31.12	17.99	10.00	9.90	15.00	399.27
Conservation on and safety in coal mines	170.67	690.75	135.00	150.38	135.00	132.00	135.00	141.00
Dev. of transportation infra. In coalfield areas	277.63	930.92	75.00	23.58	21.80	0.00	22.00	230.32
Coal Controller	1.22	180.00	0.22	0.19	0.20	0.21	0.31	0.33
Information technology	8.84	180.00	11.90	0.03	3.00	0.00	3.00	—
Lump sum prov. for NE region	—	—	59.48	0.00	30.00	0.00	14.30	—
Sub Total Schemes	1326.01	4463.36	594.77	280.02	300.00	197.11	300.00	994.77
Grand Total	**37100.38**	**32831.11**	**5492.11**	**4654.21**	**6897.00**	**1695.76**	**5674.41**	**5960.05**

Review of Central Sector Schemes

1. Regional/Promotional Exploration

At the time of formulation of XI Plan MoC proposed an outlay or Rs. 383.50 crore on the basis of the recommendations of the Working Group on Coal and Lignite for undertaking 7.5 lakh meters of drilling for coal and lignite alongwith other components of the scheme *viz*. Integrated coal data base and integrated lignite data base, CBM studies etc. As against this the approved outlay was Rs. 164.02 crore only. In the first two years of the Plan a cumulative expenditure of Rs. 64.99 crore (39.6% of the approved XI Plan outlay) has been incurred and 2.42 lakh meters 32.3% of the plan target) of drilling has been achieved. In the current year, 2009-10 an outlay of Rs. 30.39 crore has been provided against the proposed outlay of Rs. 66.39 crore in BE for achieving a drilling target of 1.58 lakh meters. The proposed amount of Rs. 66.39 crore needs to be restored in RE for achieving the 1.58 lakh meters for drilling target. In the next two years 3.47 lakh meters of drilling is to be achieved for which the required outlay is to be achieved for which the required outlay is Rs. 174.44 crore. Thus the total outlay for the Scheme of Promotional Exploration as per MTA would be Rs. 305.82 crore for achieving a drilling target of 7.47 lakh meters and for implementation of other sub-schemes against the XI Plan approved outlay of Rs. 164.02 crore.

The summary of Promotional Drilling carried out in Coal & Lignite sectors in 2008-09 and programme for 2009-10 & 2010-11 are given below:—

(Drilling in metre)

Command Area	**2008-09 Actual**	**2009-10 BE**	**2009-10 Proposed RE***	**2010-11 Proposed BE***
Physical:				
1. Drilling in C.I.L. Command Area	49666	66000	64000	76650
2. Drilling in S.C.C.L. Command Area	14730	15000	17000	14000
3. Drilling in Lignite Areas	62417	77100	77100	80350
TOTAL	126813	158100	158100	171000

* Achievement of target depends upon timely availability of forest clearance to take up drilling in forest areas and occurrence of lignite in identified blocks.

2. Detailed drilling in non-CIL Blocks

The outlay proposed by Ministry of Coal for the Scheme of Detailed drilling in non-CIL blocks at the time of formulation of XI Plan was Rs. 893.89 crore for achieving a drilling target of 13.59 lakh meters in 42 non-CIL blocks. As against this the approved XI Plan outlay for the scheme was Rs. 472.94 crore. In the first two years of the Plan a cumulative expenditure of Rs. 55 crore has been incurred and an actual drilling of 1.19 lakh has been achieved. In the current year 2009-10, an outlay of Rs. 60 crore has been provided in BE for achieving a drilling target of 1.17 lakh meters. This is being revised to 3.56 lakh meters with a revised outlay of Rs. 150.65 crore. For the next two years of the Plan an outlay of Rs. 317.43 crore would be required for achieving a drilling target of 7.1 lakh meters. Thus the outlay for the Scheme of Detailed drilling in non-CIL blocks at per MTA would be Rs. 523.08 crore for a drilling target of 11.85 lakh meters against the approved XI Plan outlay of Rs. 472.94 crore and the proposed drilling target of 13.50 lakh meters. The shortfall in the physical targets is mainly due to delay in forestry clearance for taking up exploration.

The details of actual drilling in Non-CIL/Captive Mining Blocks in 2008-09 and programme for 2009-10 & 2010-11 are given below:—

(Drilling in metre)

Command Area	**2008-09 Actual**	**2009-10 BE**	**2009-10 Proposed RE***	**2010-11 Proposed BE***
Physical:				
1. CMPDI Departmental	59936	57600	72390	74555
2. Outsourcing by CMPDI	14394	59400	97000	103000
TOTAL	74330	117000	169390	177555

*Achievement of target depends upon timely availability of forest clearance to take up drilling in forest areas and availability of suitable agencies for exploration in future tendering.

3. Research & Development

The outlay proposed for R&D scheme by MoC at the time of formulation of XI Plan was Rs. 100 crore against which the approved outlay was Rs. 75.35 crores. During the first two years of XI Plan an expenditure of Rs. 22.86 crores has been incurred on S&T projects. An outlay of Rs. 20 crore has been provided in BE 2009-10. However, this outlay is likely to be reduced to Rs. 11 crore in RE 2009-10 in view of

the progress in expenditure on the ongoing projects. The balance requirement for the remaining period of the XI Plan is Rs. 41.35 crore. Thus there is no change in the overall outlay for XI Plan as per MTA and as approved earlier.

The status of Coal S&T Projects funded by Ministry of Coal under Coal S&T Grant during the X plan & XI Plan period (till 31.12.2009) is given below:—

(Rs. in crore)

PLAN	X					XI		
YEAR	2002-03	2003- 04	2004-05	2005-06	2006-07	2007- 08	2008-09	2009-10 (31.12.09)
Spill over projects from previous year	42	42	49	47	45	36	34	28
Projects sanctioned during the year	10	18	08	09	02	09	05	07
Projects on-going during the year	52	60	57	56	47	45	39	35
Projects completed during the year	10	10	10	11	10	10	10	08
Projects terminated/ foreclosed during the year	Nil	01	Nil	Nil	01	01	01	01
On-going projects as on 31.12.2009	-	-	-	-	-	-	-	26

4. Environmental Measures and Subsidence Control (EMSC)

The initially proposed outlay for the scheme by MoC at the time of formulation of XI Plan was Rs. 3323.59 crore keeping in view the requirement for the then pending Master Plan for Jharia and Raniganj. As against this the approved outlay for XI Plan was Rs. 155.34 crore covering the requirements of the ongoing projects. In the first two years, an expenditure of Rs. 27.89 crore has been incurred. An outlay of Rs. 1.15 crore has been covered in BE 2009-10 for the ongoing projects. However, this outlay is to be revised to Rs. 399.27 crore keeping in view the requirement of the implementation of Master Plan provisions for Jharia and Raniganj which has been approved by the Government in August 2009. For the remaining two years of the XI Plan, an outlay of Rs. 1,330.28 crore will be required for both the ongoing projects as well as the Schemes under Master Plan. Thus the outlay for the scheme of EMSC as per MTA would work out to Rs. 1757.44 crore against the approved XI Plan outlay of Rs. 155.34 crore.

5. Conservation and Safety in Coal mines

At the time of formulation of XI Plan, MoC has proposed an outlay of Rs. 692.95 crore for this scheme for XI Plan as a whole. As against this the outlay approved was Rs. 170.67 crore only. This is a scheme meant for reimbursing the expenditure incurred by coal companies in the measures taken for conservation of coal. In the first two years, an expenditure of Rs. 282.38 crore has been incurred. An outlay of Rs. 135 crore has been provided in BE 2009-10. This provision is likely to be revised to Rs. 141 crore. For the balance two years of the XI Plan outlay of Rs. 267.37 crore would be required to meet the projected expenditure. Thus the overall outlay for the scheme as per MTA works out to Rs. 690.75 crore against the approved XI Plan outlay of Rs. 170.67 crore.

6. Development of Transport infrastructure in Coalfields

This is also a scheme meant for reimbursing the expenditure incurred by coal companies towards creation of infrastructure in coalfields under CCD Act. At the time of formulation of XI Plan MoC has proposed an outlay of Rs. 972.65 crore for this scheme. However, the approved XI Plan outlay was Rs. 277.63 crore only. In the first two years of the Plan an expenditure of Rs. 23.58 crore has been incurred. Since the scheme was awaiting approval of EFC no expenditure could be incurred in 2008-09 against the BE provision of Rs. 21.80 crore. For 2009-10 a provision of Rs. 22 crore has been made for the scheme. This is likely to be revised to Rs. 230.32 crore in RE stage. For the remaining two years of XI Plan an outlay of Rs. 677.02 crore would be required to dispose off the projected claims by the coal companies. Thus the overall outlay for the scheme as per MTA would work out to Rs. 930.92 crore against the approved XI Plan outlay of Rs. 277.63 crore.

CHAPTER V

MEASURES TO ADDRESS ENVIRONMENTAL CONCERNS

The operation of coalfields in India has added tremendously to the environmental pollution. The heaps of fly ash generated during these operations in the coalfields area created environmental hazard in air, water and land, causing serious diseases to the working class and the inhabitants. The samples analysis from the ground water sources show that various physical and chemical parameters are not with in the limits of Indian Drinking Water Standard. Air quality-monitoring results of industrial (Mining) and residential (village) areas adjacent to Coal Fields, confirm high degree of Suspended Particulate Matter (SPM) in mining areas and residential areas.

The reserve forest and protected forest in the buffer zone of coalfield areas are degraded. Occurrence of dense forest is vary rare. The effluents from coal mining site and coal utilization site not only run over the agricultural field but also get discharged into various tributaries of Rivers. These effluents slow down the seed germination and initial plant growth process of rice and wheat. Therefore the need for undertaking measures for environmental protection and preservation becomes is of paramount importance to tackle climate change challenges.

5.2 Giving details of the measures taken by the Ministry of Coal and Coal PSUs, the Committee has been informed by the Ministry as under:—

> "A Coal-mining project is approved only after obtaining the Environment Impact Assessment/Environment Management Plan clearance from MoEF. Strict compliance of Environmental mitigation measures as laid down in the EMP is a regular activity during and after completion of mining activities. The compliance is also monitored by MoEF and other concerned authorities. Massive plantation of saplings in and around the mines, monitoring of ambient air & water quality, land reclamation, treatment of effluent from mines, workshops, coal handling plants, washeries etc. are

regular activities in a mining project. In addition, Coal India has taken up monitoring of afforestation, land reclamation & Mine Closure activities by Remote Sensing through Satellite Surveillance techniques.

Environmental Awareness Programme, observation of World Environmental Day/Environmental Protection Week are held regularly to educate the work force and various stakeholders, and to spread awareness amongst the people. Further Government of India have also issued guidelines for mine closures and to be adopted by the coal mine owners."

5.3 Giving details of the reclamation and aforestation measures of the mined out, the Secretary, deposed before the Committee during oral evidence as under:—

"The position about the forest and environment clearance is that, in the past it used to be a case where it used to be only a delay of three to six years. Now we are being confronted with a situation where we are getting projects refused at the ToR stage. It has happened in the case of one captive block in the very recent past. There is a whole series of blocks which has been allotted in the Chhattisgarh State where we are in dialogue with the Ministry of Environment and forest because these blocks have been allocated to two captive power users. Projections have been made on the end use projects. But in our scheme of things so far we never had the case of rejection. It is now becoming a reality which we have to contend with because of environmental concerns.

These are new realities which we have to contend with. In the last Cabinet meeting it was raised, this rejection of one case. There also it was suggested that three Secretaries, my colleagues in Power, Environment and Forest and I should sit together and work out what best we can do. We have had field visits by teams from the three Ministries to this coal field in particular because Chhattisgarh had raised it at the level of the Prime Minister. We have been advised that we have to come up with some workable solutions. So, we know that is going to be the reality. But it is also, at the same time, important for all sectors to realize that if you make

projects of power requirement, you have to necessarily see how much coal will be available from the domestic resources and then whatever shortfall will be there, how best we are equipped to meet it through imports or acquisition of assets abroad. All these areas are the key areas which we are tackling through our annual plans and the co-called result framework document which is another new initiative which the Government has taken to bring all these sectors to try and see how best we can work together. Coal companies are engaged in upward battle, uphill climb because the credibility has been very low. That is something which we should not shy away from. But the fact is that, in certain coal fields after the mining has been done, the satellite imagery shows that the kind of forest or forest cover that has grown is more than what it was prior to the mining condition. That is one factor which we are using to our advantage. There is some appreciation of the fact that all coal companies are not completely dark. There are actions being taken. In some of the coal fields where mining has been completed we are in the process of returning. The first big chunk of land in the Mahanadi Coal Field we are waiting for a date from the Chief Minister of Orissa because we want to do it with proper ceremony because it is going to be the first case where we are returning the mined out areas after our use.

In Jharkhand the problem is that we are still in the process of acquiring more properties. It will be given once the mining activities are completed. We are also equally concerned with environment. We have taken these meetings. We had three rounds of discussions. The next one is also fixed shortly. We are constantly taking it up with the Ministry of Environment and Forest. There has been some improvement in the sense that we wanted to map "go" and other than go areas so that we are clear in our minds while making our plans at the initial stage itself. We should not look at certain forest or dense forest areas where even though there are billions of tones of coal available. We have to leave it for the present. We do not want to call it "no go" areas. So, we have come up with some terminology, like "A" category, "B" category, and "C" category. "A" category will be those where they will be expedition permissions. That process has also made good progress. In terms of percentage, it may sound like a large number. They say about sixty per cent of the area comes under the "go" area where we can

give blocks. But the fact is that today mining operations are going on which are in the "no go" areas. It means that if we wake up at some time and say that we want to make it "no go" areas, you can very well ask us to shut down those operations.

That is not the way it will function. We are facing that in some other projects. We have asked for some relaxations like the permission for doing away with very elaborate procedures for giving clearances for a slight increase in production say up to 20 per cent or 25 per cent over the rated capacity without any impact or additional impact on the environmental conditions. That has also been agreed to in principle at the Minister's level and we are trying to get that formalized so that we get approvals for the peak-rated capacity of the project and production can be stepped up so as to meet some local requirements or some shut down in some area due to any other factor. So, these plans are being worked out and we are trying to make it as realistic as possible. Keeping in view the conditions that environment is able all, we also realize it and the Coal India has declared this current year as the Year of the Environment and is trying to increase the environment consciousness in all the companies."

5.4 Accepting the negligence for not showing due concern for environment measures, CMD, Coal India Ltd., admitted before the Committee during oral evidence, as under:—

"Sir, it is a fact that land restoration and reclamation, these activities were not receiving the kind of focus that it should have received. We admit that. But we made a major change in 2008 that means the year 2008-09, where we said very clearly that there has to be in every project a target for land restoration and reclamation and the project officer will be responsible to achieve the target. The primacy of that target will be number two, next to coal production. It must be even more important than OBR for the project officer to achieve that kind of target. Whether he does it or he does not do that, for that we spent Rs. 140 million or Rs. 14 crore to tie up a project between the CMPD and NRSA where we get the satellite images before beginning of the year and at the end of the year of all the major opencast projects. If you see today my website, I mean the Coal India's website; you have the detailed satellite images of

35 projects which are going to become 49 after this year. In all these projects, if you see the images for two successive years, you will find that the mined-out area, the black area, has not increased in spite of the fact that production has been more in most of these opencast projects."

CHAPTER VI

REHABILITATION AND RESETTLEMENT

6.1 A major challenge confronting any investor in India, where project implementation involves involuntary displacement of people in the equitable and effective resolution of Rehabilitation and Resettlement issues. Inevitably, these issues are acute in a country like India where 70% of the population subsist on agriculture and 36% are below the poverty line. These factors are experienced most severely in mining areas located in isolated and less developed region of the country predominantly inhabited by scheduled castes and scheduled tribes, and by other economically weak and disadvantageous section of the society.

6.2 With regard to Resettlement and Rehabilitation Policy, the Ministry have informed the Committee as under:

> "We had a Resettlement and Rehabilitation Policy in 2000. It was not yielding results. After that the Government announced NRRP in 2007. After taking clue from that, we took it up and we discussed it with the Parliamentary Standing Committee in 2008-09 and hon. Members' points were taken into account. It was discussed with the MPs of that area and that is how the policy was made. This policy liberalized employment. The earlier policy was clear that employment would be given only those who are losing at least 2 acres. We have now made the policy that for every 2 acres of land, we give one employment which means that for 100 acres, I am committing 50 employment."

6.3 On being asked that CIL face a lot of litigation in Kolkata High Court for the simple reason that they have not provided employment to people although they have taken their land, the Ministry in their reply stated as under:—

> "The problem is different. We have a clearly laid down system that it has to be linear dependent. Secondly, there could be a dispute on the title of the land."
>
> What happens is that in a State like Jharkhand or West Bengal where there are small plots of land and if 100 acres is taken, you will hardly find five or six people losing more than two acres.

According to the policy only five or six were eligible for employment. We made a liberalization of that in 2008 and we said that for every 100 acre I take, I will give employment to 50 people. It is far better than the NRB of 2007 because it says that employment will be given to nuclear families subject to availability and vacancy.

In our case the availability vacancy will be our problem, we will find out. But we will increase that number of employment. As a result, if I give 50 employment for 100 acres, the last fellow who gets employment is naturally having less than two acres of land. Somebody will have more than two acres of land and somebody will have less than two acres of land and even with less than two acres of land, he will be entitled to employment.

One round of special dispensation was given by the Ministry to all subsidiaries where these agreements are conferring employment rights in violation with the agreed policy. As a one time dispensation, in every coal company, an assessment was made as to how many such cases were there and one on-time basis a dispensation was given by the Ministry. It has been accepted in the Coal India Board and it was given to the subsidiary companies. But that is only one time.

There are some disputes because the time has passed so long. There are linear dependents not available or the title is not very clear and so many other issues."

CHAPTER VII

CLEAN COAL AND WASHERY CAPACITY

Coal washing is an important area from economic and environment point of view. A number of studies carried out earlier have clearly highlighted benefits of using washed coal in improving the economic of power generation and also reduction of emissions. The directive of Ministry of Environment and Forests restricts the use of coal containing more than 34% ash content in power stations located 1000 km away from pit heads. With this as a driver, a number of power utilities have shown inclination to use washed coal for power generation and also coal washing is one of the clean coal technologies prior to combustion of coal. Coal India is heading in a big way for Coal Beneficiation of all types of coals. The present installed capacity of washery for thermal coal of about 110 Mt per annum is envisaged to reach about 250 Mt per annum in the next five years time.

7.2 To meet the demand supply gap of washed coal, guidelines for setting up of coal washeries on Public Sector Coal Company's land have been issued by Coal Ministry in September' 05. Accordingly, subsidiary coal companies of CIL are extending necessary assistance to facilitate setting up coal washeries on their land to the private operators.

7.3 CIL has also decided in principle to wash all inferior grade coal linked to non-pit head power stations by setting up washeries with the state-of-the art technology on Build-Operate-Maintain (BOM) concept where CIL will provide the capital funding and other infrastructure facilities to the NOM operator. Further, it has been decided that all new opencast projects of 2.5 Mt and above capacity, which are not linked to pithead power stations should be designed with integrated washery.

7.4 CIL has already decided to set up 20 washeries by the end of XI five years plan in its various subsidiaries with total installed capacity of 111 Mty, out of which 2 washeries of total 6 Mty are proposed under

"Turn-key" execution and the rest 18 are on BOM concept under which the capital funding and other infrastructural facilities will be arranged by CIL/subsidiary company. Tenders for seven washeries – four of BCCL, two of MCL and one of CCL, have already been floated. Offers for six washeries have been received and their evaluation is in progress.

CHAPTER VIII

CORPORATE SOCIAL RESPNOSIBILITY (CSR) MEASURES

Mining of coal has profound impact on the communities living in the areas where the mines are established. The obvious impact of the introduction of any industrial activities in such areas is change in the traditional lifestyle of the original inhabitants and indigenous communities and also change in the socio-economic profile of the area. In the above context, Coal India strongly believes that the people living in mining areas are an important stakeholder in the process of mine development and for sustainable develoment they have to be given share of the benefits of development of the mining projects.

8.2 In view of the above as a part of Corporate Social Responsibility Coal India and its Subsidiary companies are undertaking different walfare activities in and around the coalfield areas for the benefit of inhabitants. The Committee have been informed that CIL is in process of formulating and a comprehensive CSR policy.

RECOMMENDATIONS/OBSERVATIONS OF THE COMMITTEE

1. The Committee observe that the budgetary allocations of the Ministry of Coal for the year 2010-11 has been considerably increased to Rs. 13518.39 crores as compared to that of BE of Rs. 5674.41 and Rs. 5225.28 crores at RE stage during 2009-10. Out of this plan outlays, Rs. 6000 crores is stated to have been exclusively earmarked for the purpose of acquiring coal mines abroad. It is pertinent to note that there has been recurring and substantial under-utilisation of plan outlay by the Ministry during the last three years. Out of the total allocations of Rs. 4965.28 crores at RE 2009-10, the coal PSUs have utilized only Rs. 3326.33 crores only (upto December, 2009). The Committee are not averse to increase in the outlay but the same should be optimally utilized. Needless to say that the increased outlays should result in rapid progress of on-going projects of Coal PSUs and Centrally sponsored schemes. The Committee feel that unless on-going projects are implemented on fast track basis, the under-utilization of funds by Coal PSUs will continue. The Committee desire that suitable timely measures ought to be taken by the Ministry to ensure that there is no under-utilization of funds.

2. For the year 2010-11, Rs. 375 crores have been provided at BE stage as against Rs. 282.39 crores for the year 2009-10 for implementation of various Central schemes. However, the actual expenditure incurred on these schemes till December, 2009 was Rs. 96.89 crores only which clearly indicate that the Ministry may not be able to utilize the funds earmarked for the various Central Sector Schemes during 2009-10. What is surprising is the fact that no expenditure has been incurred on three schemes, namely, Environmental Measures and Subsidence Control, Conservation and Safety in Coal Mines and Development of Transport Infrastructure. The Committee strongly depricates such a failure on the part of coal public sector undertakings for not utilising funds in respect of Environmental Measures, subsidence Control (EMSC), Conservation & Safety in Coal Mines and Development of Transport Infrastructure Schemes. The Committee are constrained to observe that the scheme *viz*. 'Development of Transport Infrastructure' is yet to be approved by the Government for inclusion in XIth Plan despite the elapse of three years of the plan . The Committee are, therefore, doubtful whether

an outlay of Rs. 22 crores approved for this scheme during 2010-11 would be utilized as the scheme is yet to go through various procedural stages. The Committee would, therefore, like the Ministry to ensure that such an important scheme gets early approval of the Planning Commission.

3. With regard to implementation of Conservation and Safety in Coal Mines Scheme, the Committee are informed that though the in-principle approval from Planning Commission has been obtained and the Ministry of Finance has accorded approval to release the funds against BE-RE provisions and release of fund is under process. The Committee would like the Ministry of Coal to ensure that funds in this regard are released without any further delay. The Committee expresses its displeasure that the scheme could not be implemented during 2009-10. The Committee also desire that the funds so made available should be fully utilized during the year 2010-11.

4. The Committee have been given to understand that out of Rs. 9800 crores, Rs. 6000 crores have been earmarked for investment by Coal India Limited for acquiring coal mines abroad. The Coal India Limited is reported to have formed a subsidiary called Coal India Africana Limited for obtaining unexplored coal blocks and it has succeeded in getting two coal blocks in Mozambique. Further, it has floated global expression of interest in Australia, Indonesia, South Africa and USA inviting the coal mining majors to enter into strategic alliance. Though the Committee note with satisfaction the tangible progress made by Coal India Limited in acquisition of mines abroad, what is really needed is to accelerate the completion of various exploratory works to ensure early production from such coal mines so that the outlay earmarked does not remain unutilized. The Committee would like the Ministry to constitute a dedicated team of Coal India Limited to accomplish the above task. The Committee would also like the Ministry to expedite the tendering process for acquiring coal blocks in Australia, Indonesia, South Africa and USA. The Committee would like to be apprised in this regard.

5. The Committee observe that the capital outlay of Singareni Collieries Company Limited (SCCL) and Neyveli Lignite Corporation (NLC) has also been increased to Rs. 1334.93 crores and Rs. 1983.46 crores for the year 2010-11 from Rs. 633.94 crores and Rs. 1231.34 crores for the year 2009-10 respectively. While SCCL was able to utilize Rs. 526.76 crores (upto January 2010), NLC could utilize only

Rs. 1050.51 crores which account for 83.09% and 74% respectively. The reasons cited for less utilization of funds by these companies include delay in procurement of Heavy Earth Moving Machines (HEMM), land acquisition, delay in supply and erection of equipment in Mines II Expansion (NLC). The Committee are not convinced with these arguments for under utilization of funds as the same are of administrative in nature and could have been tackled by taking effective steps. Needless to say that the coal companies ought to take corrective and preventive measures to remove such bottlenecks coming in the way of implementation of the projects adversely affecting the physical and financial performance of the companies. The Committee would like the Ministry to play a role of facilitator rather than being a silent spectator. The Committee would also like the coal companies to take up matter with the concerned authorities for timely acquisition of land and early supply of equipments by the contractors. The violation by the contractors in delay in the supply of equipment should be viewed seriously and deterrent action taken against them as per terms and conditions of the contracts.

6. The Committee note that an outlay of Rs. 37100.37 crores was allocated for XIth Plan for three Coal Public Sector Undertakings and for the implementation of Central Schemes. Out of this, the outlay provided for CIL was Rs. 17390.07 crores; Rs. 3340.30 crores for SCCL and Rs. 15043.92 crores for NLC. As against this, the actual expenditure in the first two years of the Plan by Coal India was Rs. 4504.68 crores consisting of only 26% of the outlay. In view of delay in forestry clearances, land acquisition and related R&R issues and law and order problems adversely affecting implementation of number of projects, Coal India Limited downgraded the outlays to Rs. 8475 crores from Rs. 15043.92 crores. Further, NLC also suffered problems in timely completion of projects, namely, on account of land acquisition and equipment supplied by the contractors. Accordingly, its XIth Plan outlay was downgraded to Rs. 8475 crores from Rs. 15043.92 crores. However, in the case of SCCL, in view of proposed investments in recently approved long wall projects the outlay has been revised upwards to Rs. 3802.07 crores from Rs. 3340.30 crores. The actual expenditure by the coal companies during the first three years of the Plan has, however, been approximately Rs. 10187 crores which merely comes to 35%.

The Committee regret to observe that the Ministry have been citing off repeated reasons for non-implementation of various coal and lignite projects which ultimately lead to low production. The Committee

are constrained to point out that the Ministry have utterly failed to solve the perennial problems being faced by the coal companies affecting their coal and lignite projects. This is nothing but a sad commentary on the part of the Ministry for not taking effective steps to facilitate coal companies in overcoming their problems. The Committee are apprehensive whether the Ministry/Coal Companies would be able to utilize the remaining 65% of the outlay during the remaining period of the plan. The Committee desire the Ministry to take a comprehensive review of the various on-going projects with urgency and seriousness that they deserve so that the funds earmarked therefore are fully and gainfully utilized.

7. Since various coal and lignite projects have not been making any headway for non-availability of environmental and forest clearances, the committee desire that the Ministry may avoid recommendations for allotment of coal blocks which fall in dense forest areas containing fauna and flora which are prohibited in the list of Environment Ministry for giving environment clearance. The delay in obtaining environmental clearances has led to alarming situation. Due to non-availability of forest clearance in time, and rejection of one or two cases, the coal companies are not in a position to provide coal at the expected level. The Committee have been told that the cases of rejection of forest clearance have already been discussed in the Cabinet Committee meeting and it has given some suggestions for working out any solution. The Committee had earlier also noted that due to non-availability of Forest clearance in time, coal companies have suffered a lot and the Committee made recommendations in this regard but there is no improvement in the situation. The Committee strongly recommend that the forest clearance and environment clearance should be given as quickly as possible. The Committee would like that the Ministry of Forest may be informed that non-availability of forest clearance, the production of coal has been seriously affected and it is the Nation's loss.

8. The Committee regret to note although an outlay of Rs. 75.35 crores has been provided for carrying out Research and Development (R&D) in coal and lignite sector during XIth Plan yet only Rs. 29.36 crores have been utilized during the first three years of the plan (upto December, 2009). It is surprising that only 8 out of 35 on-going projects have been completed during the year which is indicative of lackadaisical attitude of the Ministry and coal companies towards the completion of on-going projects. The Committee firmly

believe that keeping in view the huge gap between demand and supply of coal, it is imperative that R&D activities are given major thrust for improving the coal exploration. The Committee recommend that the Central Mine Planning and Design Institute (CMPDI), the nodal agency for coordination and monitoring of Coal S&T and CIL R&D Projects, should be strengthened to improve coal extraction technologies and methods for accelerating the coal production.

9. The Committee is very unhappy regarding the steps taken by the Coal Companies in respect of environmental awareness for the public and their employees. The Committee note that the condition of roads especially in BCCL, ECL and CCL are seriously damaged as result of excessive use of roads by heavy vehicles. The Coal Companies explanation tendered before the Committee in this regard has not been found satisfactory and the Committee expect the Coal Companies to keep the roads in proper working conditions in their command areas.

The Committee are of the opinion that impact of mining activities on pollution of air, water, land, soil quality, vegetation including forest, eco-systems and human health and habitation has become a matter of concern and the same is not being adequately addressed by the Ministry of Coal and coal companies. Mere declaration of 'Environmental Year' and 'Environmental Week' etc. is not sufficient to tackle environmental hazards. In order to avoid problems at later stage, Ministry of Coal may explore the possibility of involving the Ministry of Environment and Forests in the initial stage of approving coal projects. Since in the areas categorized as 'No-go' , permission cannot be obtained, it becomes necessary that all-out efforts should be made by the Ministry of Coal and coal companies to maximize the coal production in the remaining areas categorized as 'safe mining' by Ministry of Environment and Forests. Moreover, the Ministry should take up the matter with concerned authorities with due urgency where production can be enhanced without any additional impact on environment. Although, certain amount of environmental degradation is inherent in the operation of coalfields but at the same time the Committee would like the coal companies to do a lot in sustaining and conservation of environment by proper maintenance of public roads, using water sprinklers for settling dust, incorporating latest technologies to minimize the ill-effects of coal mining on agriculture, water bodies, infrastructure and health of the coal miners and inhabitants of the nearby areas. The Committee, therefore, recommend that in addition to these measures, sufficient funds should be earmarked exclusively for tackling environmental challenges.

The Committee also note that despite Mining Closure Plan Policy already in vogue, the mines are not properly closed after exhausting its reserves as per the new policy in this regard leading to degradation of land and deforestation besides illegal mining leading to several accidents. The Committee feel that the mining companies should be made liable compulsorily for reclaiming the mined out land by carrying out extensive tree plantations and saplings.

10. The Committee note that the major issue of 'Rehabilitation and Resettlement' has not been properly addressed by the coal and lignite companies in right perspective as a result of which a large number of coal and lignite projects face difficulties in the land acquisition cases. Though the CIL has formulated its own 'Rehabilitation and Resettlement Policy' and revised the same in consonance with 'National Rehabilitation and Resettlement Policy 2007', it has failed to meet the aspirations of the project affected persons as a large number of R&R issues are still pending for settlement. The Committee, therefore, recommend that displacement should not take place unless the compensation and solatium is paid and alternate land is allotted and R&R process is completed. The Committee further recommend that the land owners and Project Affected Persons should not only be adequately compensated but the compulsory employment should be given to one of the family members. All the subsidiaries of Coal India Ltd. should immediately publish a list of persons who are entitle to get employment by reason of acquisition of their land by the coal companies and a time bound programme be undertaken for providing employment to the project affected persons.

11. The Committee also recommend that in order to resolve pending as well as future R&R issues an independent body like Complaint Redressal Committee should be constituted at the earliest.

12. The Committee observe that washing of coal reduces the ash content and increases the calorific value of coal. The Committee have been given to understand that present installed capacity of washeries for thermal coal of about 110 Mt. per annum is envisaged to reach about 250 Mt. per annum in the next five years time. Also CIL has decided to set up 20 washeries by the end of XI Five Year Plan in its various subsidiaries with total installed capaicty of 111 mty. Although the plan of estabilishing washeries and upgrading capacity of existing washeries seems quite ambitious and rosy, it is, however, to be seen how far the Ministry of Coal and coal companies succeed in executing

this plan in the right prospective. The Committee are constrained to note that out of 20 washeries which are proposed to be set up, tenders have been floated in respect of 7 washeries only and offers for six other washries are at various stage of clearances only.

The Committee, therefore, recommed that the Ministry of Coal/ coal companies should make all out efforts to establish new coal washeries on time without any time and cost overrun by corporating latest technologies prevalent globally.

13. The Committee are constrained to observe that Coal India Limited have not finalized a comprehensive Corporate Social Responsibility(CSR) Policy so far while the company have been carrying out mining activities since long. The Committee strongly feel that the inhabitants and the communities in the coal mining areas deserve a better deal by providing them basic welfare amenities by the coal companies so that they can sustain a dignified life. Though the subsidiaries of Coal India Limited have been taking various welfare measures in their command areas for the welfare of people and communities at large but it has not been able to bring about socio-economic development of such people. The CSR activities of the coal companies have not brought any confidence amongst the people of the concerned area. The Committee would like the Ministry to impress upon coal and lignite companies under their administrative control to bring out a new CSR Policy and to explore the possibility that coal and lignite companies spent 5% of their distributable surplus for CSR activities and also make development project specially for scheduled cast and scheduled tribes. The Committee also desire that people's representatives of the concerned area should be associated in identifying the areas where the fund meant for CSR activities are to be utilized.

The Committee note that the coal miners engaged in coal mining are compelled to drink contaminated water due to non-availability of potable water. The Committee would like the coal and lignite companies must make the potable water available to coal miners as this is the basic amenity.

NEW DELHI;
12 *April*, 2010
22 *Chaitra*, 1932 *(Saka)*

KALYAN BANERJEE,
Chairman,
Standing Committee on Coal and Steel.

ANNEXURE I

Company-wise Coal Production

(Fig. in million tonnes)

Company	X Plan	XI Plan						
	2006-07 (Actual)	2011-12 (Projected)	2007-08 (Actual)	2008-09 (Actual)	2009-10		2010-11 (Projected)	As per MTA (2011-12) (Projected)
					(BE)	(RE)		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
ECL	30.47	46.00	24.06	28.13	31.00	31.00	33.00	36.00
BCCL	24.21	30.00	25.22	25.51	28.00	27.50	29.00	30.00
CCL	41.32	78.00	44.15	43.24	48.00	46.10	50.00	54.00
NCL	52.16	70.00	59.62	63.65	66.50	66.50	72.00	76.00
WCL	43.21	45.00	43.51	44.70	45.00	46.00	46.50	47.00
SECL	88.50	111.00	93.79	101.15	106.00	107.60	112.00	117.00
MCL	80.00	137.00	88.01	96.34	109.30	109.30	116.75	125.10
NEC	1.05	3.50	1.10	1.01	1.20	1.00	1.25	1.40
CIL-Total	**360.91**	**520.50**	**379.46**	**403.73**	**435.00**	**435.00**	**460.50**	**486.50**
SCCL	**37.707**	**40.80**	**40.60**	**44.54**	**44.50**	**44.50**	**45.50**	**47.00**
Other Public Sec.	1.77	2.52	2.10	1.83	1.92	1.92	2.30	2.52
Private-TISCO II	7.04	6.50	7.21	7.28	7.30	7.30	7.30	6.50

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Captive Mining	17.61	104.08	21.17	29.88	37.11	37.11	49.77	80.89
Meghalaya	5.79	5.60	6.54	5.69	6.50	6.50	6.50	6.50
All India Coal Production	**430.83**	**680.00**	**457.08**	**492.95**	**532.33**	**532.33**	**571.87**	**629.91**
NLC/Lignite Production	**21.01**	**27.04**	**21.59**	**21.31**	**23.60**	**21.75**	**24.24**	**26.02**
NLC/Gross Power Generation	**15787**	**26077**	**17457**	**15768**	**17140**	**16600**	**18758**	**21129**

ANNEXURE II

Company wise Outlay and Expenditure

(Rs. in Crore)

Company	XI Plan approved outlay (2007-12)	2007-08		2008-09		2009-10		2010-11	2011-12	XI Plan outlay as per MTA (2007-12)
		BE	Actual	BE	Actual	BE	Revised Estimate	(Projected)	(Projected)	(Proposed)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10	(11)
ECL	1849.68	298.29	161.79	400.00	191.88	210.00	250.00	400.00	500.00	1503.67
BCCL	1250.00	250.00	133.82	250.00	221.16	230.00	300.00	350.00	420.00	1424.98
CCL	1990.00	400.00	297.84	600.00	334.84	420.00	350.00	350.00	500.00	1832.68
NCL	4000.78	400.00	404.71	500.00	266.52	730.00	600.00	800.00	1000.00	3071.23
WCL	1374.50	241.50	176.05	225.00	277.92	230.00	350.00	350.00	470.00	1623.97
SECL	4600.11	492.35	560.42	800.00	855.98	730.00	700.00	600.00	600.00	3316.40
MCL	2125.00	350.00	276.16	350.00	321.26	200.00	400.00	650.00	900.00	2547.42
NEC	20.00	4.00	1.86	5.00	3.92	10.00	10.00	15.00	15.00	45.78
Others*	180.00	36.00	20.86	84.70	33.69	140.00	140.00	285.00	245.00	724.55
Total CIL	17390.07	2472.14	2033.51	3214.70	2507.17	2900.00	3100.00	3800.00	4650.00	16090.68
SCCL	3340.30	570.58	573.97	665.30	499.34	580.57	471.96	1190.34	1066.46	3802.07

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10	(11)
NLC Mines	2826.00	795.83	578.54	1188.22	400.05	524.09				2334.39
NLC Power	12218.00	1211.14	1188.17	2490.90	1159.10	1369.75				6140.61
Sub-Total NLC	15044.00	2006.96	1766.71	3679.12	1559.15	1893.84				8475.00
Grand Total	**35774.37**	**5049.68**	**4374.19**	**7559.12**	**4565.66**	**5374.41**				**28367.75**

ANNEXURE III

IR, EBR & IEBR detailed statement for XI Plan period (MTA)

(Rs. in Crores)

Company	XI Plan (2007-12)			2007-2008					
					BE			Actual	
	IR	EBR	Total IEBR	IR	EBR	Total IEBR	IR	EBR	Total IEBR
CIL	51331.23	301.00	51632.23	19675.15	136.00	19811.15	22786.56	0.00	22786.56
SCCL	-959.70	4300.00	3340.30	570.58	0.00	570.58	573.97	0.00	573.97
NLC	4636.43	10407.49	15043.92	651.56	1355.41	2006.97	490.67	1276.04	1766.71

(Rs. in Crores)

Company	2008-09						2009-2010						MTA (2007-12)		
	BE			Actul			BE			RE					
	IR	EBR	Total IEBR	IR	EBR	Total IEBR	IR	EBR	Total IEBR	IR	EBR	Total IEBR	IR	EBR	Total IEBR
CIL	27528.71	0.00	27528.71	32034.24	0.00	32034.24	27670.95	0.00	27670.95	32413.52	0.00	32413.52	52276.24	0.00	52276.24
SCCL	665.30	0.00	665.30	499.34	0.00	499.34	580.57	0.00	580.57	471.96	0.00	471.96	3702.07	100.00	3802.07
NLC	880.90	1836.10	2717.00	145.50	1413.65	1559.15	0.00	0.00	0.00	0.00	0.00	0.00	3911.58	4563.42	8475.00

MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON COAL AND STEEL HELD ON 22 MARCH, 2010 IN COMMITTEE ROOM 'C', PARLIAMENT HOUSE ANNEXE, NEW DELHI

The Committee sat from 1400 hours to 1645 hours

PRESENT

Shri Kalyan Banerjee — *Chairman*

MEMBERS

2. Shri Hansraj G. Ahir
3. Shri Jayawant G. Awale
4. Shri Abu Hasem Khan Choudhury
5. Shri Ismail Hussain
6. Shri Yashbant Laguri
7. Sardar Sukhdev Singh Libra
8. Shri Govind Prasad Mishra
9. Kumari Saroj Pandey
10. Shri Rakesh Sachan
11. Shri Pashupati Nath Singh
12. Shri Rajiv Ranjan Singh *alias* Lalan Singh
13. Ms. Mabel Rebello
14. Shri Jai Prakash Narayan Singh
15. Shri Nand Kumar Sai
16. Shri Ali Anwar Ansari
17. Shri R.C. Singh

SECRETARIAT

1. Shri Shiv Singh — *Director*
2. Smt. Sunita — *Deputy Secretary*

WITNESSES

Ministry of Coal

1. Shri C. Balakrishnan, Secretary
2. Shri Alok Perti, AS
3. Shri K.S. Kropha, Joint Secretary
4. Shri R.K. Mahajan, Joint Secretary
5. Shri Sanjiv Mittal, JS&FA
6. Shri P.R. Mandal, Adv (Project)
7. Shri Kailash Pati, Economic Adviser
8. Shri T.K. Lahiry, Economic Adviser

Coal Public Sector Undertakings

1. Shri P.S. Bhattacharya, CMD, Coal India Limited
2. Shri M.P. Dikshit, CMD, Bharat Coking Coal Limited
3. Shri D.C. Garg, CMD, Western Coalfields Limited
4. Shri S.R. Upadhyay, CMD, Mahanadi Coalfields Limited
5. Shri V.K. Singh CMD, Northern Coalfields Limited
6. Shri R.K. Saha, CMD, Central Coalfields Limited
7. Shri A.K. Singh, CMD, Central Mine Planning & Design Institute Ltd.
8. Shri S. Chakravarty, CMD, Eastern Coalfields Limited
9. Shri A.R. Ansari, CMD, Neyveli Lignite Corporation Limited

2. At the outset, the Chairman, welcomed the representatives of the Ministry of Coal and Coal Public Sector Undertakings to the sitting of Committee. The Chairman mentioned that the sitting of the Committee has been convened to take oral evidence of the representatives of the Ministry of Coal on Demands for Grants (2010-11).

3. Thereafter, the Secretary, Ministry of Coal briefed the Committee regarding functioning of the Ministry and Public Sector Undertakings (PSUs) under its jurisdiction followed by the visual presentation on Demands for Grants (2010-11) on focus areas and initiatives, and key policy concerns. The points discussed during the sitting broadly related to the issues such as allocation of coal blocks under captive coal dispensation, rehabilitation and resettlement of project affected persons, outsourcing of labour in Coal PSUs, environmental concerns, coal transportation policy, implementation of ongoing schemes and projects, acquisition of coal mines abroad, etc.

4. The Chairman directed the representatives of the Ministry of Coal to furnish the replies to the queries raised by the Members which could not be responded to at the earliest.

A verbatim record of the proceedings has been kept.

The Committee then adjourned.

MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON COAL AND STEEL HELD ON 12TH APRIL, 2010 IN COMMITTEE ROOM '139', PARLIAMENT HOUSE ANNEXE, NEW DELHI

The Committee sat from 1500 hrs. to 1615 hrs.

PRESENT

Shri Kalyan Banerjee — *Chairman*

MEMBERS

2. Shri Sanjay Bhoi
3. Shri Ismail Hussain
4. Shri Yashbant Laguri
5. Sardar Sukhdev Singh Libra
6. Shri Narhari Mahato
7. Shri Govind Prasad Mishra
8. Shri Ramesh Rathod
9. Shri Rakesh Sachan
10. Shri Pashupati Nath Singh
11. Shri Rajiv Ranjan Singh *alias* Lalan Singh
12. Ms. Mabel Rebello
13. Shri Dhiraj Prasad Sahu
14. Shri Jai Prakash Narayan Singh
15. Shri Mohd. Amin
16. Shri Ali Anwar Ansari
17. Shri R.C. Singh

SECRETARIAT

1. Shri Shiv Singh — *Director*
2. Smt. Sunita — *Deputy Secretary*
3. Md. Aftab Alam — *Under Secretary*

2. At the outset, Chairman, welcomed the Members to the sitting of the Committee.

3. The Committee then considered and adopted the following Draft Reports subject to some minor modifications:—

(i) 4th Report on Demands for Grants (2010-11) of the Ministry of Coal;

(ii) *** *** *** *** ***

(iii) *** *** *** *** ***

4. The Committee authorized the Chairman to finalize the Reports after making consequential changes arising out of factual verifications by the concerned Ministries or otherwise and to present this Report to both the Houses of Parliament.

The Committee then adjourned.

*** Do not pertain to this Report.